



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
451 SEVENTH STREET, SW
WASHINGTON, DC 20410-1000

OFFICE OF MULTIFAMILY HOUSING PROGRAMS
OFFICE OF THE DEPUTY ASSISTANT SECRETARY

MEMO

FROM: Marie D. Head, Deputy Assistant Secretary
TO: Industry partners, Section 8 Owners
DATE: March 11, 2013
RE: FY 2013 Section 8 Project Based Rental Assistance Under the Sequestration

This is to update you, as an owner of a project assisted by the Section 8 Project Based Rental Assistance Program, of the Department's plans to manage the funding of this program under the cuts imposed by the Fiscal Year 2013 Sequestration.

In order to minimize the potential impact of the Sequestration, and to assure that HUD is able to fund all HAP payments coming due during the current fiscal year, the Department has developed the following plan of action:

- All Section 8 contracts expiring in FY 2013 will be renewed if eligible under current program rules and will receive full twelve month funding.
- All existing multi-year contracts that expire after FY 2013 and have anniversary dates in the first quarter of FY 2013 (October-December) will receive full twelve month funding, assuring sufficient funding to carry them into the first quarter of FY 2014.
- All other multi-year Section 8 contracts will receive less than 12-month funding, but will be provided sufficient funding to carry them into the first quarter of FY 2014.

There are about 11,000 Section 8 contracts that fall in this last category, and on average, they will receive roughly 8.5 months of funding. The actual amount will vary, depending on anniversary date. For example, a multi-year contract funded in March 2013 might receive ten months of funding (March-December), while a contract funded in September 2013 might receive four months (September-December).

The overall goal is to avoid payment disruptions during FY 2013 or early in FY 2014. Funding after that point will depend on Congressional appropriation action for FY 2014.

Thank you for your partnership and cooperation as we work through this challenging budget environment.